

Message Text

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PAGE 01 SANTIA 05357 312239Z

67

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

DRC-01 /194 W

----- 128729

R 312130Z OCT 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 6408

LIMITED OFFICIAL USE SANTIAGO 5357

E.O. 11652: N/A

TAGS: EIND, CI

SUBJ: CORFO DRAFTS OF "CONTRACT TO REGULARIZE BUSINESSES"

1. EMBASSY HAS ACQUIRED COPY OF DRAFT CORFO
"CONTRACT TO REGULARIZE BUSINESS" WHICH MAY BE
USED TO RETURN COMPANIES TAKEN OVER UNDER ALLENDE
REGIME. AS FAR AS EMBASSY AWARE CONTRACT HAS NOT
YET BEEN USED TO EFFECT RETURN NOR HAS FORMAT BEEN
MADE PUBLIC. OUTLINE OF SIGNIFICANT POINTS FOLLOWS.

2. FIRST: OWNERS HAV REQUESTED RETURN OF FIRM IN WRITING
AND CORFO EXECUTIVE VICE PRESIDENT HAS APPROVED REQUEST.
SECOND: INTERVENTION DECREE HEREBY NULLIFIED.
THIRD: OWNERS UNDERTAKE TO ADAPT FIRM TO "STATUTE OF COMPANY
PARTICIPATION" WHICH NOW UNDER STUDY AND WHICH WILL ESTABLISH
FORM AND CONDITIONS OF WORKER PARTICIPATION.
FOURTH: OWNERS OBLIGED THEMSELVES TO MAINTAIN ALL EXTENT
LABOR BENEFITS, ALTHOUGH REMUNERATION "IN KIND" SUSPENDED AS
OF DATE OF AGREEMENT.

FIFTH: OWNERS PROMISE TO MAINTAIN ACTUAL WORK FORCE AT LEAST

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UNTIL, IN CORFO'S JUDGEMENT, "NATIONAL OR REGIONAL ECONOMIC

ACTIVITY HAS INCREASED TO PERMIT THEIR ABSORPTION IN OTHER WORK."

SIXTH: OWNERS WILL NOT HAVE RIGHT TO SEEK ANY INDEMNIZATION FROM THE STATE FOR DAMAGES ALTHOUGH THEY RETAIN RIGHT TO PURSUE EXISTING LEGAL AND ADMINISTRATIVE COURSES AGAINST NATURAL PERSONS WHO MAY BE RESPONSIBLE.

SEVENTH: OWNERS RECOGNIZE ALL DEBTS FIRM HAS CONTRACTED DIRECTLY OR INDIRECTLY WITH THE STATE OR ITS INSTITUTIONS "WITHOUT PREJUDICE TO NORMS ESTABLISHED FOR CONSOLIDATION AND SERVICE OF SAID DEBTS."

EIGHT: OWNERS WILL WITHIN 90 DAYS PRESENT TO CORFO AN INVENTORY AND BALANCE SHEET OF RIM COVERING PERIOD BETWEEN LAST BALANCE REPORTED TO INTERNAL REVENUE SERVICE PRIOR TO REQUISITION AND DATE OF REQUISITION. REPORT TO CORFO ALSO TO INCLUDE CERTIFIED ACCOUNTING OF DEBTS ACCUMULATED DURING REQUISITION. LATTER TO SERVE AS BASIS FOR CORFO DECISION ON AMORTIZATION OF COMPANY'S DEBT TO THE STATE.

ELEVENTH: NON-COMPLIANCE WITH THIS AGREEMENT BY OWNER, AS JUDGED BY CORFO WILL CUT FIRM OFF FROM ALL TYPES OF TECHNICAL OR CREDIT ASSISTANCE FROM THE STATE.

TWELFTH: TEMPORARY DELEGATE HEREBY RELIEVED OF FUNCTION.

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Message Attributes

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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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30 JUN 2005

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